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FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC 0566
INFO RUEHBO/AMEMBASSY BOGOTA 7670
RUEHLP/AMEMBASSY LA PAZ FEB LIMA 0946
RUEHQ/AMEMBASSY QUITO 2759
RUCPDOC/DEPT OF COMMERCE
RUEATRS/DEPT OF TREASURY
RUMIAAA/HQ USSOUTHCOM MIAMI FL

UNCLAS CARACAS 000152

SIPDIS

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SENSITIVE

DEPARTMENT PASS TO AGRICULTURE ELECTRONICALLY

E.O. 12958: N/A

TAGS: EAGR ECON PGOV VE

SUBJECT: CHAVEZ THREATENS TO EXPROPRIATE LARGE FOOD
DISTRIBUTORS

REF: CARACAS 102

¶1. (U) This message is Sensitive But Unclassified, Please
Treat Accordingly.

¶2. (SBU) During a February 4 speech celebrating the 16th anniversary of his attempted 1992 coup (Septel), Chavez threatened to expropriate large food distributors and producers. Chavez said, "I have ordered Mr. Vice-President Colonel Ramon Carrizales and my government to go on the offensive. It's not enough to close one store, and even less fair to close small businesses; no, we are going after the big ones. We are going to keep an eye on the big ones, that is where capitalism is at its fiercest, and the owners of these large chains are members of the rancid anti-Bolivarian oligarchy." Chavez added, "I hope they (the large food distributors and producers) give me the excuse to intervene and expropriate them, so I can put those food and medicine chains at the service of the Venezuelan people, and not the oligarchy."

¶3. (SBU) Comment: Chavez' most recent expropriation threats appear to be aimed at Polar, Venezuela's largest food processing company. During the period of January 21 - 23, the Venezuelan National Guard seized more than 500 tons of food produced by Polar, claiming that the food was being smuggled illegally to Colombia or "hoarded." (Reftel). According to Polar representatives, the confiscated trucks, traveling along their normal routes, were carrying finished goods for Venezuela's western states. End Comment.

DUDDY